

AIG POLICYHOLDERS' FREQUENTLY ASKED QUESTIONS
ADDRESSED BY COMMISSIONER

Question: Is AIG going bankrupt?

Answer: AIG is an international financial holding company with numerous businesses. Your insurance and annuity policies are written by AIG's insurance companies. Those companies are financially solvent, and their assets are monitored by state regulators.

Question: Are the insurance and annuity policies I purchased from AIG safe, or am I going to lose my money?

Answer: Your policies are safe. AIG's insurance companies are financially strong and able to honor all policyholders' claims. The Indiana Department of Insurance will continue to closely monitor the situation to ensure policyholders are protected and that there will continue to be sufficient assets to pay claims.

Question: Should I cash in my insurance and annuity policies and purchase insurance from another insurer?

Answer: As stated above, the AIG insurance companies are financially strong, and your policies are not in jeopardy. Whether you should cash in your insurance policy or switch insurance to another insurer is, as always, a personal decision. Please be aware that some policies may contain surrender charges and/or cancellation penalties. Contact the Indiana Department of Insurance Consumer Division at (800) 622-4461 to find out all the information your agent or broker should give you before you make a decision. Talk to your financial adviser before making any decisions. If you have any insurance policy with an AIG company and someone tells you to replace it because of the troubles at AIG's parent company or supposed trouble at the insurance company, call the Department at (800) 622-4461.

Question: Should I pay the insurance premium bill that I just received from AIG?

Answer: Yes, in order for your coverage with AIG to continue, you will need to pay the insurance premiums. Failure to pay your premiums can result in the termination of your insurance policies by the insurance company.

Question: Would my insurance and annuity policies have been protected had AIG been declared insolvent and ordered to be liquidated by a court?

Answer: There are guaranty funds in place in all states which act as a safety net in the event an insurer becomes insolvent. However, guaranty fund coverage is limited. For example, individuals with fixed annuities typically only receive \$100,000 of coverage, and variable annuities often are not covered. You may obtain information about the Indiana Insurance Guaranty Association by visiting <http://www.inlifega.org/>.

Question: I heard the government may take over AIG. What are state regulators doing to make sure AIG insurance companies will continue to be able to pay claims?

Answer: The agreement between AIG and the Federal Reserve protects the assets of the insurance companies so they will be available to pay claims. Any significant transaction affecting an AIG insurance company will need approval from state regulators.

Question: What can I do if I am having difficulty getting through to AIG on the telephone?

Answer: You may obtain information about filing a complaint with Indiana Department of Insurance by contacting our Consumer Division at (800) 622-4461.

Question: How can I check on the financial status of a specific AIG insurance subsidiary?

Answer: You can search for each individual AIG subsidiary using the NAIC's Consumer Information Source (CIS). There you will find financial information specific to the company, as well as complaint data and licensing information. CIS is available at www.naic.org/cis/index.do.